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April 1, 2005

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

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Office of Proceedings

APR 01 2005

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Public Record

Re: Fourth Status Report Under Decision No. 12
*Kansas City Southern - Control - The Kansas City Southern Railway
Company, Gateway Eastern Railway Company, And The Texas Mexican
Railway Company; Finance Docket No. 34342*

Dear Secretary Williams:

In keeping with the Surface Transportation Board's decision served herein on November 29, 2004 ("Decision No. 12"), Kansas City Southern ("KCS") files this Fourth Status Report. Decision No. 12 required KCS to file, at least every three months, "a status report detailing new developments (if any) in its efforts to acquire control of TFM." Today's status report is in compliance with the Board's decision.

Attached hereto are two KCS press releases announcing completion of KCS's acquisition of control of TFM, S.A. de C.V. ("TFM"). The first announces the March 29 approval by KCS shareholders of the issuance of 18 million shares of common stock, plus the potential issuance of additional shares under certain circumstances, in conjunction with KCS acquiring a controlling interest in TFM pursuant to the December 15, 2004 Amended and Restated Acquisition Agreement. The second press release, issued today, announces completion of KCS's purchase of the controlling interest in TFM.

The announced actions complete KCS's efforts to acquire control of TFM. Accordingly, this submission constitutes KCS's final report in compliance with the directive contained in Decision No. 12 to report on the status of KCS's efforts to acquire control of TFM.

Sincerely,



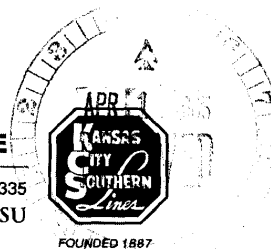
William A. Mullins

cc: Parties of Record

KANSAS CITY SOUTHERN

PRESS RELEASE

CATHEDRAL SQUARE • 427 WEST 12TH STREET • P.O. BOX 219335 • KANSAS CITY, MISSOURI 64121-9335
NYSE SYMBOL: KSU



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KCS Receives Stockholder Approval for TFM Acquisition

Kansas City, MO, March 29, 2005. Kansas City Southern (KCS) (NYSE: KSU) announced that its stockholders, on an affirmative vote of 99% of the shares voted at today's special meeting, approved the issuance of 18 million shares of common stock, plus the potential issuance of additional shares under certain circumstances, in conjunction with KCS' acquisition of a controlling interest in TFM, S.A. de C.V. (TFM). With this approval, all of the conditions precedent to the closing covered in the December 15, 2004 Amended and Restated Acquisition Agreement have been satisfied. KCS expects to complete the purchase and take control of TFM on April 1, 2005.

TFM operates the premier railway system in Mexico, connecting Mexico City, three major ports and the industrial heartland of Mexico to KCS' domestic railways at the Laredo/Nuevo Laredo border. As previously announced, following closing, TFM will be operated as an independent Mexican corporation under control of KCS, a holding company, which also owns: The Kansas City Southern Railway Company (KCSR), The Texas Mexican Railway Company (Tex Mex) and The Gateway Eastern Railway Company.

"We are very pleased that our shareholders, the regulatory bodies in Mexico and the U.S., and our Mexican partner have agreed to placing these railroads under common control," said Michael R. Haverty, KCS chairman, president and chief executive officer. "With the railroads already physically linked in an end-to-end configuration, common control will enhance competition and give shippers in the NAFTA trade corridor a strong transportation alternative as they make their decisions to move goods between the United States, Mexico and Canada. It will also allow the company to create greater value for shareholders through the operating efficiencies that will come from common ownership and control."

KCS was founded in 1887 by Arthur E. Stilwell, whose vision was to build a railroad from the U.S. heartland directly south to the Gulf of Mexico and to Mexico to transport commodities from there to markets throughout the world. With the signing of the North American Free Trade Agreement, KCS made a strategic decision to build upon Arthur Stilwell's 19th century vision, and to become a significant carrier of North American freight through the NAFTA trade corridor.

- more -



KANSAS CITY SOUTHERN

PRESS RELEASE

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NYSE SYMBOL: KSU



KCS is a transportation holding company that has railroad investments in the United States, Mexico and Panama. Its primary domestic holdings include The Kansas City Southern Railway Company, founded in 1887, and The Texas Mexican Railway Company, founded in 1885, which together serve the central and south central regions of the United States. Headquartered in Kansas City, Mo., KCS has investments in TFM, S.A. de C.V., Mexico's northeast railway and The Panama Canal Railway Company, providing ocean-to-ocean freight and passenger service along the Panama Canal. KCS' combined holdings, investments and strategic alliances link the commercial and industrial centers of the United States, Canada and Mexico. For more information, visit www.kcsi.com.

Included in this press release are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on the beliefs of KCS' management as well as on assumptions made. Actual results could differ materially from those included in such forward-looking statements. Readers are cautioned that all forward-looking statements involve risks and uncertainty. For additional information relating to such risks and uncertainties, readers are urged to review KCS' filings and submissions with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

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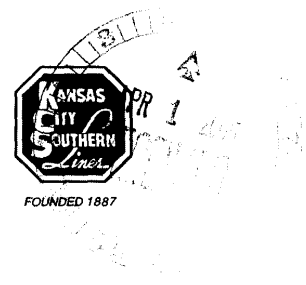


KANSAS CITY SOUTHERN

NEWS RELEASE

CATHEDRAL SQUARE • 427 WEST 12TH STREET • P.O. BOX 219335 • KANSAS CITY, MISSOURI 64121-9335

NYSE SYMBOL: KSU



Date: April 1, 2005

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Kansas City Southern Announces Closing of TFM Transaction; Naming of TFM Interim CEO

Kansas City Southern (KCS) (NYSE:KSU) completed today its purchase of the controlling interest in TFM, S.A. de C.V. (TFM) from Grupo TMM, S.A. in accordance with the terms of the Amended and Restated Acquisition Agreement. As a result, KCS now owns all of the common stock of *Grupo Transportación Ferroviaria Mexicana*, S.A. de C.V. and controls all of the shares of TFM entitled to full voting rights.

"This is an historic opportunity to create one of North America's premier railroads," said Michael R. Haverty, KCS chairman, president and chief executive officer. "TFM, Kansas City Southern Railway and The Texas Mexican Railway Company (TexMex) will now operate under common overall leadership, creating a seamless transportation system that spans the heart of North America."

The union of the three railroads under common ownership has several inherent advantages for Mexico and the entire NAFTA region including greater investment in cross-border transportation infrastructure, the implementation of advanced cargo tracing and tracking systems, improved border security, and world-class employee training programs. The long-term result will be more employment opportunities and greater overall competitiveness in Mexico.

TFM will remain a Mexican corporation with Mexican leadership. As of April 1, 2005, Vicente Corta Fernández has assumed the duties of TFM Interim CEO. "Vicente Corta is a skilled negotiator and a natural leader," said Haverty. "He comes to TFM as part of a distinguished career in government and private business. We will all look to Vicente for leadership and guidance as we work together to take TFM to the next level."

Vicente Corta is a partner in the law firm of White & Case S.C. where he has proven a strong advocate for both public and private sector clients. Before joining White & Case, Mr. Corta served as President of Mexico's National Commission for the Retirement Savings System (CONSAR). Prior to that, until August 2000, he was the Chief Executive Officer of the Institute for Protection of Bank Savings (IPAB), Mexico's deposit insurance and bank resolution agency. His tenure with the IPAB is best remembered for his aggressive and effective steps to reform and overhaul Mexico's banking system, including overseeing the orderly resolution of approximately US\$38 billion worth of assets from troubled banks and directing the government takeover of several of Mexico's unstable banks.

Before heading the IPAB, Mr. Corta held important posts at the Mexican Ministry of Finance and Public Credit for almost a decade. Mr. Corta will continue as a partner of White & Case during his tenure as TFM Interim CEO.



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Headquartered in Kansas City, Mo., KCS is a transportation holding company that has railroad investments in the U.S., Mexico and Panama. Its primary U.S. holdings include The Kansas City Southern Railway Company, founded in 1887, and The Texas Mexican Railway Company, founded in 1885, serving the central and south central U.S. Its international holdings include a controlling interest in TFM, S.A. de C.V., serving northeastern and central Mexico and the port cities of Lázaro Cardenas, Tampico and Veracruz, and a 50% interest in The Panama Canal Railway Company, providing ocean-to-ocean freight and passenger service along the Panama Canal. KCS' North American rail holdings and strategic alliances are primary components of a NAFTA Railway system, linking the commercial and industrial centers of the U.S., Canada and Mexico. Visit www.kcsi.com for more information.

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